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THE Farm Income SITUATION

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FARM-INCOME PROSPECTS FOR 1950

An interim reappraisal of the outlook for farm income during the remainder of 1950 indicates that both gross and net income for the year as a whole will be down less than had been anticipated.

Cash receipts from farm marketings during the first half of the year, estimated at 9 percent less than in the first half of 1949, were about in line with expectations. However, with higher prices during July and August, cash receipts in those months were equal to, or perhaps a little higher than, receipts in July and August of last year. As the remaining months of 1950 are likely to compare just as favorably with last year, total cash receipts this year may equal 27.5 billion dollars, or only 2 percent under the 1949 total. Gross farm income--including Government payments, the value of home consumption, and the rental value of dwellings, in addition to cash receipts from marketings--is now estimated at 31.5 billion dollars, also about 2 percent less than in 1949.

But not all of the improved prospects for gross farm income will be reflected in net incomes. Farmers' expenses of production are also rising contrary to earlier expectations--perhaps by a half-billion dollars from the 1949 total of 18 billion. And farmers' realized net incomes this year may total about 13 billion dollars as compared with approximately 14 billion last year.

These estimates are tentative, and are published in the light of recent and rapid changes in price and demand conditions. They will be superseded by a more detailed reappraisal in the Outlook issue of this report, to be published in October.

PRELIMINARY MONTHLY ESTIMATES

Cash receipts in August

Farmers' cash receipts from marketings in August are expected to total about 2.6 billion dollars, 15 percent above July and slightly more than in August of last year. Prices received by farmers will probably average little if any higher than in July, but about 8 percent above prices in August 1949. The volume of marketings will be larger than in the previous month but perhaps 5 percent smaller than a year ago.

Receipts from the sale of livestock and livestock products will be approximately 1.4 billion dollars, 12 percent above July and 8 percent greater than in August of last year. Prices may average a little higher than in the previous month and about 7 percent above a year ago. Marketings of livestock and products will probably be up a little from the July level and slightly larger than in August of last year. Cash receipts from meat animals may be 25 percent above July, and 20 percent higher than a year ago. Marketings of all types of meat animals are up seasonally, and their prices are substantially higher than last year. Slightly higher prices of dairy products are not likely to offset seasonally smaller marketings, so receipts from dairy products may be down from July. They will be about the same as a year ago, however, as larger marketings will probably make up for slightly lower prices. Receipts in August from poultry and eggs will be about the same as in July, with higher average prices expected to offset a slightly smaller volume of sales. But they will remain below those of a year ago because of substantially lower prices.

Total crop receipts in August are estimated at 1.2 billion dollars, 20 percent more than in July but about 5 percent below a year ago. Average prices of crops may show little change from the previous month, but the volume of marketings is seasonally larger. Compared with last August, prices are likely to average 10 percent higher, but this may be more than offset by a smaller volume. With smaller marketings expected in August, cash receipts from wheat may be lower than in July. Because of a smaller crop this year, receipts from wheat will also be lower than a year ago, in spite of higher prices. Receipts from corn will be greater than in July because of a larger volume of sales; they are also expected to be above those of last year, mainly because of higher prices. Receipts in August from the large crop of oats may be slightly above the receipts in July; and they will be substantially above a year ago because of increased marketings and higher prices. Receipts from cotton are up seasonally, and are probably about the same as a year ago. Marketings of flaxseed and peanuts in August will be seasonally larger, and receipts will be up from July; but smaller crops in both cases may result in rather substantial declines from last year. Tobacco marketings are up seasonally, resulting in a sharp increase in cash receipts. Receipts from tobacco may be above last year because of higher prices. Receipts from vegetables will be seasonally higher because of larger sales of early potatoes and truck crops; and larger marketings may also bring some increase over last year. Fruit receipts will be down from July because of smaller marketings of citrus fruits and lower average prices; but a substantial increase over last year is to be expected because of higher prices.

Cash receipts, January-August

Cash receipts from marketings in the first 8 months of 1950 are estimated at 15.5 billion dollars, or 6 percent below cash receipts in the corresponding period last year. Average prices and total marketings for the year to date are each down about 3 percent.

Receipts from livestock and livestock products for the 8-month period are about 9.7 billion dollars, 2 percent below last year. Prices average about 3 percent lower, but marketings are up slightly. Receipts from dairy products are down a little, and receipts from poultry and eggs are down about 20 percent, both because of lower average prices. But cash receipts from meat animals are about 3 percent above last year.

Crop receipts in the first 8 months total approximately 5.8 billion dollars, or 11 percent below last year. Crop prices average slightly lower, and marketings are down about 10 percent. Receipts from nearly all the major crops are lower than last year, mainly because of smaller marketings. In the case of fruits and tobacco, however, where the volume of sales has been above last year, cash receipts are higher.

Table 1.- Cash receipts from farming, United States 1/

Source	May 1949	May 1950	June 1949	June 1950	January-June 1949	January-June 1950
	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.
Farm marketings and CCC loans 2/	1,918	1,768	2,067	1,825	11,663	10,614
Livestock and products	1,302	1,334	1,297	1,268	7,459	7,029
Meat animals	638	744	645	667	3,978	3,880
Dairy products	371	358	376	368	1,961	1,920
Poultry and eggs	271	208	248	203	1,433	1,134
Other	22	24	28	30	87	95
Crops	616	434	770	557	4,204	3,585
Food grains	129	34	184	58	728	411
Feed crops	124	94	198	109	1,047	954
Cotton (lint and seed)	27	7	7	5	485	346
Oil-bearing crops	38	22	35	16	172	119
Tobacco	20	14	7	6	202	219
Vegetables	128	112	162	158	750	625
Fruits and tree nuts	86	85	134	161	437	516
Other	64	66	43	44	383	395
Government payments	29	41	17	34	131	191
Total cash receipts	1,947	1,809	2,084	1,859	11,794	10,805

Table 2.- Index numbers of cash receipts from farm marketings and CCC loans, physical volume of farm marketings, and prices received by farmers, United States (1935-39 = 100)

Item	May 1949	May 1950	June 1949	June 1950	January-June 1949	January-June 1950
Cash receipts from farm marketings and CCC loans 1/ 2/						
All commodities	289	266	311	274	293	266
Livestock and products	344	352	342	335	328	309
Crops	216	152	269	193	245	209
Physical volume of farm marketings 2/						
All commodities	124	117	133	120	122	119
Livestock and products	151	159	150	153	139	143
Crops	87	61	111	77	100	88
Prices received by farmers						
All commodities	236	230	232	230	238	224
Livestock and products	236	234	236	233	242	226
Crops	238	226	228	228	236	223

1/ Estimates for 1949 are tentatively revised so as to provide a more accurate comparison between this year and last year.
2/ Receipts from loans represent value of loans minus value of redemptions during

Table 3.- Cash receipts from farm marketings, by States, June 1949-50 1/

State and region	Livestock and products		Crops		Total	
	1949	1950	1949	1950	1949	1950
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	6,161	6,505	2,718	1,700	8,879	8,205
New Hampshire	4,093	3,854	709	611	4,802	4,465
Vermont	8,516	7,659	855	740	9,371	8,399
Massachusetts	9,826	9,192	3,462	2,952	13,288	12,144
Rhode Island	1,431	1,388	219	203	1,650	1,591
Connecticut	8,704	7,581	2,630	2,370	11,334	9,951
New York	53,292	48,176	15,345	14,136	68,637	62,312
New Jersey	13,921	11,977	18,606	19,367	32,527	31,344
Pennsylvania	51,005	47,392	13,358	11,643	64,363	59,035
North Atlantic Region	156,949	143,724	57,902	53,722	214,851	197,446
Ohio	56,361	54,006	19,946	14,413	76,307	68,419
Indiana	51,548	51,379	17,135	8,252	68,683	59,631
Illinois	84,805	82,491	47,998	31,211	132,803	113,702
Michigan	35,489	33,250	18,785	18,368	54,274	51,618
Wisconsin	80,305	76,658	8,779	8,515	89,084	85,173
East North Central Region	308,508	297,784	112,643	80,759	421,151	378,543
Minnesota	70,225	69,102	25,121	12,844	95,346	81,946
Iowa	130,814	130,931	43,188	10,406	174,002	141,337
Missouri	66,083	65,331	8,436	5,500	74,519	70,831
North Dakota	13,426	13,691	33,338	9,701	46,764	23,392
South Dakota	33,095	33,378	15,884	3,940	48,979	37,318
Nebraska	51,543	51,571	21,310	6,192	72,853	57,763
Kansas	35,529	36,086	40,391	18,318	75,920	54,404
West North Central Region	400,715	400,090	187,668	66,901	588,383	466,991
Delaware	6,283	7,285	959	900	7,242	8,185
Maryland	13,394	13,041	9,468	9,287	22,862	22,328
Virginia	19,010	18,680	9,312	8,921	28,322	27,601
West Virginia	7,763	7,387	1,179	959	8,942	8,346
North Carolina	12,233	11,698	15,734	14,420	27,967	26,118
South Carolina	5,125	5,008	8,536	7,402	13,661	12,410
Georgia	12,571	12,974	15,382	13,319	27,953	26,293
Florida	8,197	7,807	18,412	19,768	26,609	27,575
South Atlantic Region	84,576	83,880	78,982	74,976	163,558	158,856
Kentucky	27,310	26,982	4,337	2,419	31,647	29,401
Tennessee	20,679	19,793	7,155	6,406	27,834	26,199
Alabama	10,646	10,230	6,474	5,892	17,120	16,122
Mississippi	10,707	10,140	4,365	4,458	15,072	14,598
Arkansas	13,610	13,702	4,794	6,589	18,404	20,291
Louisiana	8,037	7,838	5,207	4,566	13,244	12,404
Oklahoma	25,504	25,091	38,966	15,825	64,470	40,916
Texas	67,591	69,209	62,218	31,175	129,809	100,384
South Central Region	184,084	182,985	133,516	77,330	317,600	260,315
Montana	10,353	10,641	14,196	4,091	24,549	14,732
Idaho	10,660	10,836	6,640	5,127	17,300	15,963
Wyoming	6,073	6,495	1,167	-598	7,240	5,897
Colorado	17,426	17,547	11,669	1,529	29,095	19,076
New Mexico	5,785	5,989	2,292	1,572	8,077	7,561
Arizona	6,212	6,378	14,280	11,887	20,492	18,265
Utah	6,863	6,429	2,814	2,249	9,677	8,678
Nevada	1,351	1,321	139	108	1,490	1,429
Washington	16,528	15,274	19,551	21,183	36,079	36,457
Oregon	12,651	12,288	13,136	15,669	25,787	27,957
California	68,337	66,678	113,220	140,177	181,557	206,855
Western Region	162,239	159,876	199,104	202,994	361,343	362,870
United States	1,297,071	1,268,339	769,815	556,682	2,066,886	1,825,021

1/ Estimates for June 1949 are tentatively revised so as to provide a more accurate comparison between this year and last year.

Table 4.- Cash receipts from farm marketings, by States, January-June 1949-50 1/

State and region	Livestock and products		Crops		Total	
	1949	1950	1949	1950	1949	1950
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	36,621	32,590	66,302	48,354	102,923	80,944
New Hampshire	24,166	19,696	6,150	6,063	30,316	25,759
Vermont	46,120	41,527	10,054	10,109	56,174	51,636
Massachusetts	58,778	50,639	23,410	23,775	82,188	74,464
Rhode Island	8,196	7,371	2,267	1,969	10,463	9,340
Connecticut	48,316	41,531	34,245	32,612	82,561	74,143
New York	295,649	271,207	93,796	80,388	389,445	351,595
New Jersey	88,063	75,276	43,108	40,340	131,171	115,616
Pennsylvania	294,251	267,374	81,623	75,865	375,874	343,239
North Atlantic Region	900,160	807,261	360,955	319,475	1,261,115	1,126,736
Ohio	326,628	304,393	105,550	95,740	432,178	400,133
Indiana	318,553	301,186	91,863	89,688	410,416	390,874
Illinois	501,343	468,651	271,297	283,693	772,640	752,344
Michigan	211,831	193,879	88,207	93,850	300,038	287,729
Wisconsin	425,824	405,888	42,960	47,451	468,784	453,339
East North Central Region	1,784,179	1,673,997	599,877	610,422	2,384,056	2,284,419
Minnesota	423,110	403,000	134,593	114,568	557,703	517,568
Iowa	828,439	790,190	205,641	153,003	1,034,080	943,193
Missouri	353,184	336,415	60,146	49,063	413,330	385,478
North Dakota	63,335	60,513	155,701	77,425	219,036	137,938
South Dakota	164,937	154,947	84,450	42,228	249,387	197,175
Nebraska	296,443	292,057	142,460	101,538	438,903	393,595
Kansas	248,091	239,353	180,224	109,740	428,315	349,093
West North Central Region	2,377,539	2,276,475	963,215	647,565	3,340,754	2,924,040
Delaware	41,394	37,938	4,043	3,832	45,437	41,770
Maryland	81,463	74,078	28,907	28,965	110,370	103,043
Virginia	102,211	95,825	55,936	54,609	158,147	150,434
West Virginia	36,725	33,515	9,012	7,944	45,737	41,459
North Carolina	68,371	62,679	79,664	55,137	148,035	117,816
South Carolina	29,473	27,431	39,121	26,479	68,594	53,910
Georgia	78,835	76,896	55,482	43,546	134,317	120,442
Florida	45,032	42,635	210,293	240,931	255,325	283,566
South Atlantic Region	483,504	450,997	482,458	461,443	965,962	912,440
Kentucky	122,152	114,807	112,906	118,585	235,058	233,392
Tennessee	106,703	98,093	64,579	62,718	171,282	160,811
Alabama	60,453	56,873	41,297	30,480	101,750	87,353
Mississippi	52,335	48,958	135,306	35,357	187,641	84,315
Arkansas	75,667	71,434	98,866	53,542	174,533	124,976
Louisiana	45,232	41,844	56,246	46,451	101,478	88,295
Oklahoma	131,732	123,663	90,132	82,814	221,864	206,477
Texas	410,749	390,908	229,196	316,337	639,945	707,245
South Central Region	1,005,023	946,580	828,528	746,284	1,833,551	1,692,864
Montana	53,794	53,608	71,588	40,235	125,382	93,843
Idaho	59,545	59,109	72,793	51,899	132,338	111,008
Wyoming	24,553	24,613	9,959	6,238	34,512	30,851
Colorado	123,076	123,328	80,406	54,162	203,482	177,490
New Mexico	35,050	33,486	21,542	18,037	56,592	51,523
Arizona	42,640	42,157	72,994	65,849	115,634	108,006
Utah	42,374	40,355	12,527	10,369	55,401	50,724
Nevada	11,562	10,920	4,341	1,807	15,903	12,727
Washington	88,606	82,112	120,499	88,568	209,105	170,680
Oregon	67,032	62,292	56,538	52,040	123,620	114,332
California	359,665	341,846	445,429	410,720	805,094	752,566
Western Region	908,447	873,826	968,616	799,924	1,877,063	1,673,750
United States	7,458,852	7,029,136	4,203,649	3,585,113	11,662,501	10,614,249

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